

July 14, 2016

Nicholas G. Alexander
Associate General Counsel, Federal Affairs
1220 L Street NW, Suite #660
Washington, DC 20005
TEL: (571) 730-6473
Nick.Alexander@Level3.com

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Assessment and Collection of Regulatory Fees for Fiscal Year 2016, MD Docket No. 16-166

Dear Ms. Dortch:

On July 14, 2016, Nick Alexander of Level 3 Communications met with Thomas Buckley and Roland Helvajian of the Office of the Managing Director, Francis Gutierrez, David Krech, Veronica Garcia-Ulloa, and Richard Nunno of the International Bureau, and Mika Savir of the Enforcement Bureau to discuss Level 3's recommendation that the Federal Communications Commission (Commission) modify its methodology for assessing regulatory fees on terrestrial International Bearer Circuits (IBCs).

Consistent with the comments Level 3 filed in MD Docket No. 16-166, I advocated that the Commission should follow the blueprint it established in the *2009 Submarine Cable Order* and adopt a flat-fee assessment methodology for terrestrial IBCs.¹ I emphasized that assessing a flat, per provider fee, with a reduced amount for the smaller providers, would incent providers to file more accurate IBC data in their 43.62 reports, be competitively neutral, and be easier for the Commission to administer.

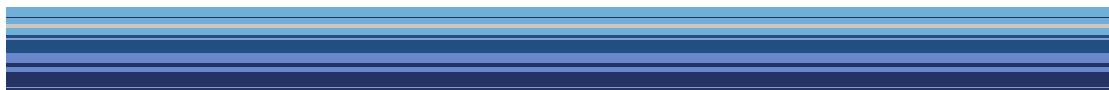
Commission staff noted that the regulatory fees for submarine cables are assessed on a per-license basis, and asked how Level 3 would propose to assess fees for terrestrial IBCs given that international section 214 licensees may or may not have terrestrial IBCs in service. I responded that under the Level 3 proposal, fees would not be assessed on a per-license basis. Entities would still be required to report the number of terrestrial IBCs they have in service to the Commission on their 43.62 reports for each Filer 499 ID. Each reporting entity would then be assessed a fee based on whether the number of circuits they reported placed them in a "large" or "small" payment category, with such categories to be established by the Commission based on their analysis of the 43.62 data.

I also noted that while Level 3 believes both common carrier and non-common carrier terrestrial IBCs should be subject to regulatory fees for the reasons articulated in its comments, the Commission can address that issue separately from the fee assessment methodology. The flat-fee methodology Level 3 has proposed is far superior to the existing per-circuit methodology even if only common carrier circuits are initially subject to assessment.

Sincerely,

/s/ Nicholas G. Alexander
Nicholas G. Alexander

¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Second Report and Order, 24 FCC Rcd 4208, 4212, para. 7 (2009) (*Submarine Cable Order*).



Marlene H. Dortch

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cc: Thomas Buckley
Roland Helvajian
Francis Gutierrez
David Krech
Veronica Garcia-Ulloa
Richard Nunno
Mika Savir